



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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March 27, 2000

Jason Knowlton
Mammoth Mining Company
East Ajax Street
P.O. Box 190
Mammoth, Utah 84628

Re: Denial of Transfer of Small Mine Permit, Mammoth Mining Company, Mammoth Mine,
S/023/041, Juab County, Utah

Dear Mr. Knowlton:

During a meeting at Division Offices on March 1, 2000, with Mr. Spenst Hansen and Mr. Jason Knowlton we received a transfer form and a \$100.00 permitting fee for the existing Mammoth Small Mining Operation, S/023/041. This letter constitutes a review of the adequacy of the transfer form.

The Division cannot accept the current transfer for the following reasons:

1. The transferor is not the Mammoth Mining Company (MMC), but Grand Central Silver Mines (Grand Central). A company cannot transfer to itself. A comment was made by Mr. Hansen that the Division replace the front page with the right one. We cannot alter this form as it is a legally binding document. It is our understanding that a copy of the transfer form was previously sent to Mr. Hansen of MMC by Grand Central. On February 22, 2000, the Division also received a copy of that transfer document from Grand Central. MMC stated that they had not received it. Later in a March 2, 2000, phone conversation, Mr. Knowlton stated that it had come in the mail. To date, the Division has not received any new permit transfer forms from Mr. Knowlton.
2. The transfer submitted by Mr. Hansen only refers to a Butterfly Gap road, as the only mining related disturbance (1.4 acres). On March 17th, Grand Central presented the Division with aerial photographs showing disturbance well in excess of the 1.4 acres. The current Mammoth Mine permit and last annual report lists the disturbance of permitted acreage at 2.0 acres, but does not include the Butterfly Gap Road or the Nad Breccia Road. **An inspection of the property is planned for Thursday and Friday, April 6th and 7th, to verify disturbances associated with this information.** A representative of Grand Central and a representative from the Division's Abandoned Mine Program will accompany Tom Munson on that inspection. We would appreciate it if you would also be available to attend the inspection.


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3. MMC failed to give proper legal descriptions that included all the known disturbances including the Mammoth Mine site. The current permit lists disturbances in both section 19 and 30, T10S, R2W, Juab County, Utah.
4. Before mining related disturbance can be considered regimental property and released from reclamation responsibility it must be approved by the Division as an acceptable post mining land use with Public Safety and Welfare considered.
5. If it becomes apparent that the majority of the disturbance was not included in the original permit or in this permit transfer, and this issue cannot be reasonably resolved, then a formal enforcement action may be required to resolve this issue.

Please do not hesitate to call me or Tom Munson at (801) 538-5286 or 538-5321 with any questions or concerns. We hope to resolve this issue in a timely manner with the cooperation of all parties.

Sincerely,



 Wayne Hedberg
Permit Supervisor
Minerals Reclamation Program

jb
cc: Barry Katona, Grand Central Silver Mines
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